

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, JANUARY 11, 2005**

**A. CALL TO ORDER / ROLL CALL**

The Special City Council meeting of January 11, 2005, was called to order by Mayor Beckman at 7:03 a.m.

Present: Council Members – Hansen, Hitchcock (arrived at 7:06 a.m.), Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: Interim City Manager Keeter, City Attorney Schwabauer, and City Clerk Blackston

**B. REGULAR CALENDAR**

- B-1 “Authorize reimbursements for travel expenses incurred by City Manager candidates for interviews with the City Council (\$1,821.47)”

Interim City Manager Keeter reported that claims for reimbursement have been received in the amount of \$1,821.47 from city manager candidates for travel expenses.

**MOTION / VOTE:**

The City Council, on motion of Council Member Johnson, Mounce second, authorized reimbursements for travel expenses incurred by City Manager candidates for interviews with the City Council in the amount of \$1,821.47. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Mounce, and Mayor Beckman

Noes: Council Members – None

Absent: Council Members – Hitchcock

- B-2 “Adopt resolution amending Resolution No. 2001-29 setting forth the order of business for City Council meetings”

City Clerk Blackston outlined the following items for Council's consideration related to the order of business for City Council meetings:

- Deletion of the reading of the consent calendar;
- Move “Comments by the City Council Members” to follow the public comment period;
- Move “Comments by the City Manager” to follow the City Council comment period;
- Remove “Reports: boards / commissions / task forces / committees” from the Communications item.

Council Member Hansen stated that he was in favor of all the suggestions except deletion of reading the consent calendar. He felt that reading the consent calendar aloud was of benefit to those viewing the meeting on cable television.

Mayor Beckman commented that Mr. Hansen had made a good point and felt that discontinuance of reading the consent calendar should be a unanimous decision, and for this reason, he suggested it remain unchanged.

**MOTION / VOTE:**

The City Council, on motion of Mayor Beckman, Hansen second, unanimously adopted Resolution No. 2005-10 amending Resolution 2001-29 setting forth the order of business for City Council meetings.

- B-3 “Authorize payoff of the first trust deed for 412 ½ Railroad Avenue (APN #043-201-08) using HOME Program funds (\$31,000)”

Community Development Director Bartlam reported that the property at 412 ½ Railroad Avenue was in the City's HOME rehabilitation program. The owners and original applicants in the program have transferred ownership of the property and the first trust deed to another

individual. The transfer did not occur under normal circumstances so the City's second, which is placed on properties that have loans or are part of the down payment assistance program, was not carried forward. The City still holds a lien. The new owner of the property is now in arrears of his payments for the first trust deed and the foreclosure process has begun. The trustee sale is next week and the City is now faced with two options: 1) bring the first trust deed up to current balance (\$6,000) or 2) pay it off completely, finish the foreclosure with the current resident, and dispose of the property appropriately. He noted that this situation occurred with the prior owner in 2003 as well. Mr. Bartlam recommended that the City pay off the first trust deed in the amount of \$31,000, take over the property, and sell it. The proceeds would be placed back into the HOME program. The 1,600 square foot home is valued at over \$150,000.

In answer to Council inquiries, Mr. Bartlam reported that staff has not inspected the interior of the home. The current second is approximately \$70,000.

MOTION / VOTE:

The City Council, on motion of Mayor Beckman, Johnson second, unanimously authorized payoff of the first trust deed for 412 ½ Railroad Avenue (APN #043-201-08) using HOME Program funds (\$31,000).

B-4 "Fiscal year 2005-06 budget strategy discussion"

Finance Director Krueger distributed spreadsheets (filed) and noted that the figures do not incorporate reductions for Public Employees Retirement System (PERS) amortization over 30 years or the elimination of the utility charges for public facilities, as was recommended to Council at its meeting on January 5. He reported that 80% of the City's total expenditures in the General Fund are related to employee salary and benefits. Some departments have vacant positions that they may want to permanently eliminate to deal with the long-term structural imbalance of the budget. Mr. Krueger stated that his background is in internal auditing and he suggested that a formal review be conducted of each department.

Interim City Manager Keeter informed Council that a closed session was scheduled for January 19 to discuss the possibility of negotiating with bargaining units. She felt that it would be important to first find out what reductions departments can make before bargaining units were asked to make concessions. She reported that staff is attempting to schedule a Council meeting, at which an actuarial consultant can discuss the PERS amortization issue.

Council Member Johnson disagreed with Ms. Keeter, stating that salary and benefits should be addressed first because it is not realistic to expect that revenue enhancements would make a significant difference in the structural imbalance the City faces. He suggested that an estimate be made of the proposed revenue enhancements and savings from vacancies in the City and bring that projection forward to the bargaining units to begin discussion on a resolution of the imbalance.

PUBLIC COMMENTS:

- Joe Pacino suggested that the City develop a budgetary process that allows only a specific percentage of what general revenues allow and then approach employees with direction that no additional hiring can take place until there is more revenue and that layoffs may not be necessary if salary and benefit concessions are made.

Ms. Keeter distributed and reviewed the following lists related to the citywide survey: 1) top ten services ranked by importance; 2) bottom ten services ranked by importance; and 3) top 20 services mentioned to decrease funds (all filed). She stated that another survey could be done for an additional \$3,000 or an in-house survey could be conducted of City employees.

Council Member Hansen was in favor of conducting another survey. He felt it was important during budget discussions to focus on what the core level of service is that taxpayers in Lodi should receive for their tax dollar.

Mayor Pro Tempore Hitchcock expressed reservations about the usefulness of conducting another survey.

Council Member Mounce stated that she did not want more money spent on conducting another survey, which she believed would not result in providing any more information than the previous public survey conducted by DataCycles (*Note: Results reported to Council on April 21, 2004*). She felt that the best course of action would be to find out from each department where budget cuts can be made.

Mayor Beckman also expressed opposition to spending more money on another survey.

Mr. Krueger spoke in support of conducting another public survey to gauge where to place priorities. He reviewed spreadsheets, which assigned the following percentage reductions:

- City Council – 5%
- City Manager – 5%
- City Attorney – 5%
- City Clerk – 5%
- Community Center – 12%
- Police Department – 5%
- Fire Department – 5%
- Community Development – 6%
- Parks and Recreation – 12%
- Public Works – 8%
- Information Systems – 10%
- Human Resources – 10%
- Finance – 10%

Council concurred with the general direction Mr. Krueger was recommending for budget reductions.

Council Member Hansen asked that staff develop a draft list of possible questions for Council to consider that could be posed in another public survey.

MOTION / VOTE:

There was no Council action taken on this matter.

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:34 a.m.

ATTEST:

Susan J. Blackston  
City Clerk